

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6610

BILL NUMBER: SB 459

NOTE PREPARED: Dec 22, 2014

BILL AMENDED:

SUBJECT: Fair credit reporting.

FIRST AUTHOR: Sen. Miller Patricia

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill provides that a violation of the federal Fair Credit Reporting Act (act), or any regulations issued under the act, in connection with a consumer transaction involving an Indiana consumer, is a deceptive act that is subject to the penalties set forth in the statute concerning deceptive consumer sales. The bill also requires the attorney general to investigate complaints made by or on behalf of Indiana consumers and concerning alleged violations of specified provisions of the act. It allows the attorney general to investigate, on the attorney general's own motion, suspected violations of the specified provisions of the act. It also authorizes the attorney general to bring an action in federal district court or in any other court with jurisdiction for: (1) injunctive relief; or (2) damages on behalf of Indiana consumers; for violations of the specified provisions of the act. The bill specifies that these enforcement procedures are in addition to the enforcement procedures and remedies available to the attorney general or a consumer under the statute concerning deceptive consumer sales for a violation of the act, or any regulations issued under the act, in connection with a consumer transaction involving an Indiana consumer.

Effective Date: July 1, 2015.

Explanation of State Expenditures: *Office of Attorney General (AG):* This bill may result in additional actions brought by the AG, who may conduct an investigation of alleged violations of the act and subsequently bring an action if necessary. The bill's requirements should be able to be implemented by the AG with no additional appropriations.

Explanation of State Revenues: *Deceptive Act:* The bill specifies as a deceptive act a violation of the federal Fair Credit Reporting Act involving a consumer transaction with an Indiana resident. A deceptive act is punishable by a civil penalty of \$5,000 per violation. The actual number of civil actions that may result

due to the bill, and therefore, the amount of court fee revenue to the General Fund is indeterminable.

Court Fee Revenue: Revenue to the state General Fund may increase as a result of any additional civil actions and accompanying court fees. When a civil case is filed, a civil costs fee of \$100 would be assessed, 70% (55%) of which would be deposited in the state General Fund if the case is filed in a court of record (if the case is filed in a city or town court).

Additionally, some or all of the judicial salaries fee (\$20), public defense administration fee (\$5), court administration fee (\$5) and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund. Revenue from the pro bono services fee (\$1) is transferred by the State Auditor to the Indiana Bar Foundation for use in assistance with pro bono legal services programs in Indiana. Proceeds from the automated record keeping fee (\$5) are deposited into the state User Fee Fund. Additional fees may be collected at the discretion of the judge.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Court Fee Revenue:* If any additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 civil costs fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge. Persons filing a civil case are also required to pay document storage fees (\$2), document fees (\$1 per document) and service fees (\$10) that are deposited in local funds.

State Agencies Affected: Office of the Attorney General.

Local Agencies Affected: Trial courts, city and town courts.

Information Sources:

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